EBL ASSET MANAGEMENT LTD.
(A fully owned subsidiary of Eastern Bank Ltd.)

Daily News Snippet

January 29, 2024

Bangladesh Market	
Major Indices	**Last closing**
DSEX Index	6,079.06
% change	-1.26%
DS30 Index	2,091.04
% change	-1.11%
DSES Index	1,337.14
% change	-1.12%
Turnover (BDT mn)	8,806.17
Turnover (USD mn)	80.06
% change	1.12%
Source: Dhaka Stock Exchange	

International Market	
Major Indices	**Last closing**
Dow Jones Industrial Average	38,195.00
% change	-0.16%
S&P 500	4,912.00
% change	-0.09%
Nikkei 225	36,092.61
% change	0.96%
FTSE 100	7,635.09
% change	1.40%
Source: Bloomberg	

Exchange rate		
Major Currencies	**Low (BDT)**	**High (BDT)**
USD	110.00	110.00
EUR	119.37	119.41
GBP	139.72	139.74
INR	1.32	1.32
Source: BB		

Money market		
Date	**Call Money Rate Range (%)**	**Weighted Average**
28-Jan-24	8.00 - 9.90	9.60
25-Jan-24	8.00 - 9.90	9.38
Source: BB		

Commodities		
Major Commodities	**Price**	**% Change**
Brent Crude (Oil), USD/bbl.	84.02	0.39%
Gold Spot, USD/t oz.	2,026.77	0.41%
Cotton, USD/lb.	84.71	0.40%
Source: Bloomberg		

Market Summary

Bangladesh Market

- The leading bourse of the country, DSEX lost 1.26% in the last trading day, closing at 6,079.06 point.
- The market fell for consecutive days after the initial rise since the declaration of floor price removal.
- The daily turnover fell 1.12% in the last trading day.

Global Market

- Majority of the leading global indices posted mixed returns as Dow Jones posted 0.16% loss, S&P 500 posted 0.09% loss, and FTSE 100 posted 1.40% gain.
- One of the leading Asian market indices, NIKKEI 225 posted 0.96% gain.

Key macro indicators

- All the major currencies fell against BDT yesterday.
- The average overnight rate is rising steadily in the past few weeks as per the latest trend.
- The current weighted average overnight rate stood at 9.60% with a high rate of 9.90% and low rate of 8.00%.
- The oil price increased 0.39% in the last trading day.

Bangladesh Macro Update

Call money rate soars to 12-year high at 9.60%

- The average call money rate, the interest rate at which banks borrow from each other overnight, has surged to 9.60% – marking the highest point in the last 12 years due to recent policy rate hikes by the Bangladesh Bank
- Bangladesh Bank data show banks borrowed BDT 3,251 crore from the call money market on Sunday.
- This demand pushed the weighted average rate to a staggering 9.60%, marking the highest since 2013.
- Prior to this, 2012 saw an average call money rate of 12.82%.

News Source:

https://www.tbsnews.net/economy/banking/call-money-rate-soars-12-year-high-960-following-policy-rate-hikes-782866

Sectoral Update

Banks, NBFIs, and Insurance

BB to give interest-free ‘special loan’ to Islamic banks

- Bangladesh Bank has planned to introduce interest-free ‘special liquidity support’ for Shariah-based banks amid a severe liquidity shortage.
- The liquidity support would be extended to Islamic banks against ‘Shariah-based Special Bond’ issued to fulfil the government’s payment commitments, according to BB officials.
- The nature of this support is proposed to be charitable, as the BB will not charge any interest for the funding in alignment with Islamic finance principles, according to a working paper prepared by relevant departments.
- According to BB officials, the government, facing a liquidity shortage and lacking adequate funds to fulfil its payment obligations, has turned to issuing bonds through the central bank, which is effectively printing money.

News Source:

https://www.newagebd.net/article/224042/bb-to-give-interest-free-special-loan-to-islamic-banks

Fuel & Power

Gas, power cos in trouble as consumer dues pile up

- In a complex financial web, state-owned gas distribution companies, power plants and fertiliser factories in Bangladesh find themselves entangled in a payment conundrum.
- State-owned power and fertiliser companies have BDT 23,279 crore outstanding dues to Petrobangla, which, in turn, owes both local and foreign gas suppliers USD 400 million each month.
- The power plants and fertiliser factories blame their inability to settle the dues with Petrobangla on the delayed disbursement of government subsidies.

News Source:

https://www.tbsnews.net/bangladesh/energy/gas-power-cos-trouble-consumer-dues-pile-783094

Telecommunication

Number of mobile internet connections dip further

- The number of active mobile internet connections decreased further by 0.47 lakh to 11.84 crore in December 2023 compared with that of 11.89 crore in November 2023, according to Bangladesh Telecommunication Regulatory Commission data.
- The number of active mobile internet connections has gradually decreased from August to December 2023.
- In August, the number was 11.97 crore and it has gradually declined, reaching 11.84 crore, by December.
- However, the number of broadband internet connections increased after four months.
- The number of broadband connections increased by 0.04 lakh in December to 1.28 crore from 1.24 crore in November.

News Source

https://www.newagebd.net/article/224013/number-of-mobile-internet-connections-dip-further

Capital Market

Stocks tumble below 6,100 mark as forced selling intensifies

- DSEX, the broad-based index of the Dhaka Stock Exchange (DSE) tumbled by 1.2% to 6,079 yesterday as too many stocks recently freed from the floor price restriction after nearly 18 months were falling free.
- As stock prices kept falling, the market caught forced selling problems from the leveraged accounts and that kept adding to the selling pressure in the market for the last three consecutive sessions, according to stockbrokers.
- Since the securities regulator removed the floor price from all but 35 stocks from 21 January, six dozen stocks fell by more than 25%, while 40 fell by more than 30%.
- The market in the first three sessions without floor showed a better than expected resilience, thanks to the long term value investors who poured fresh funds into some of the fundamentally strong large cap stocks, according to president of DSE Brokers Association (DBA).

News Source:

https://www.tbsnews.net/economy/stocks/stocks-tumble-below-6100-mark-forced-selling-intensifies-783090